

## Agenda Item 2 - Appendix 1

**Temporary changes to pensions tax in the context of abatement for returning workers:Written statement - HCWS196****WS Treasury**

Made on: 22 April 2020

Made by: **John Glen** (The Economic Secretary to the Treasury)Commons **HCWS196****Temporary changes to pensions tax in the context of abatement for returning workers**

At this time, it is important that key public sector workforces can bring back workers with relevant and valuable experience to ensure that the government can continue to provide critical public services. I am working with colleagues across government to ensure we remove any potential barriers to those who wish to return to work to help in our fight against Covid-19.

For public sector workers returning to support the government's response to Covid-19 the government intends to temporarily suspend tax rules that would otherwise apply significant tax charges to pension income received by recently retired individuals aged between 50 and 55. This change, taken alongside complementary changes to rules for relevant public service pension schemes (subject to relevant HM Treasury agreement), will help ensure individuals' pension income will remain protected if they return to work at this important time.

The measure is designed to ensure that we can continue to provide important public services at this time. As these proposed tax changes form part of our response to Covid-19, they will initially apply in respect of payments made in the period from 1 March to 1 June 2020.

HMRC will set out operational guidance in due course, but this measure will only apply to people returning to roles as a result of Covid-19. I am working with colleagues to identify relevant workforces who should benefit from these changes.

The government's actions will provide relevant public sector staff associations with the assurance that their members with pensions in payment and pension benefits will be unaffected if they wish to play their part in our response to this virus.

This statement has also been made in the House of Lords: **HLWS193**